

Why WhatsApp's brand plans will revolutionise mobile marketing

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WhatsApp made waves when it revealed it was dropping its subscription fee and the move is set to have significant repercussions for marketers.

Facebook-owned **WhatsApp** [immediately moved to dispel users' fears](#) the decision was a precursor to the introduction of third-party ads, a move its founders have always pledged to avoid.

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Instead it revealed in a blog post that it will "test tools that allow you to use **WhatsApp** to communicate with businesses and organisations that you want to hear from".

The wording of the post hints at an opt-in notifications service, but other details of how it could work are still thin on the ground.

WhatsApp suggested, as an example, that a banking **brand** could use the service to flag a fraudulent transaction to a customer. Or an airline could update customers about a delayed flight.

WhatsApp claims it is dropping the \$1 annual subscription charge because consumers in emerging markets, which make up a large chunk of its customer base, are unable to pay due to lack of a debit card.

Others are speculating the move is really **designed** to emulate the much more profitable business model of China's **WeChat**.

Turning WhatsApp into an ecosystem

WeChat's [average revenue per user \(ARPU\) is \\$7](#), which is seven times that of **WhatsApp**. How does **WeChat** achieve this?

It has monetised the integration of third-party apps into the **WeChat** ecosystem. A user of **WeChat** can also use the service to do any number of things including booking a taxi, transferring money to friends, receiving utility statements, reading celebrity gossip or donating to charity.

If **WhatsApp** were to follow in the footsteps of **WeChat**, would that render **brand** apps redundant?

Not in the opinion of **Carl Uminski**, co-founder of mobile agency Somo, who believes there is still a place for standalone apps.

"For me, applications are for deep utility and for loyalists," says **Uminski**. "There will absolutely still be a place for them for the next few years for the loyalists who are engaging with a lot of content."

Uminski is extremely excited about the prospect of **WhatsApp** opening up to **brands** and the real-time customer service possibilities it offers.

"By bringing a **brand** into **WhatsApp** it creates real-time interaction with the consumer that is great for everybody," says **Uminski**. "I think this also has a huge Artificial Intelligence (AI) opportunity with AI bots that can start talking to customers, which will dramatically reduce the cost of customer services."

Rather than being a pipe dream, **Uminski** believes AI technology has already developed enough to provide an imperfect yet effective customer service experience.

He also argues it will allow consumers to interact with local **brands** when abroad to carry out tasks such as booking restaurants, because AI is able to work irrespective of the language, and is not limited by the language skills of a native customer service operative.

Redefining customer relationships

MediaCom joint head of **digital Dan Chapman** describes the **WhatsApp** move as "customer relationship management (CRM) on steroids".

"I do not think it is a challenge to specific **branded** apps," says **Chapman**. "We are going into a space where first party and non-cookie based data is becoming more important - the richness of **branded** apps will increase."

Chapman believes it is other messaging apps that should have cause for concern because of the integration possibilities between **Facebook**, Instagram and **WhatsApp**.

"Other players that sit outside of larger tech stacks will struggle," says **Chapman**. "The ability for the **brand** to get under the skin of the consumer will blow other messaging apps out the water because they do not have that broad understanding of the consumer that **Facebook** has."

He believes **WhatsApp** opening up its real-time messaging services is another step towards "humanising data".

"The industry slightly commoditised this thing called data, and in all honesty we are talking about people and the moments they are in," says **Chapman**. "If you want to get to the point where there is a closer alignment to the moment that consumer is in, then fundamentally you have to align with these [messaging] platforms."

WhatsApp opening up to **brands** does have one scary side effect – companies handing over even more customer data to **Facebook**.

Uminski argues this is a moot point because most **brands** have "given all their data to **Google**".

"It is no more than everyone putting **Google** Analytics into their site, which is basically giving **Google** everything," adds **Uminski**.

However **WhatsApp**'s new business model pans out, both **Uminski** and **Chapman** agree it can only be a good thing for **brands**.

Chapman concludes: "For me this is the next evolution of understanding consumers better."

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